

November 18, 1999

MAINE PUBLIC SERVICE COMPANY
Request for Approval of RFP Pursuant to
Chapter 307 and Approval of Sale

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order, we allow Maine Public Service Company (MPS) to execute a contract with WPS Energy Services, Inc. (WPS) for the sale of capacity and energy from its non-divested generation asset (i.e. Wheelabrator-Sherman QF contract).

II. BACKGROUND

As part of its comprehensive restructuring of the State's electric industry, the Legislature required, subject to several exceptions, that utilities divest their generation assets. 35-A M.R.S.A. § 3204(1). Contracts with qualifying facilities (QFs) are among the exceptions to the divestiture requirement. The restructuring statute requires utilities to sell the rights to the capacity and energy of all generation assets that are not divested. 35-A M.R.S.A. § 3204(4).

Pursuant to this legislation, the Commission promulgated Chapter 307 of its rules. Chapter 307 requires utilities to conduct a bid process for the sale of the capacity and energy from all generation assets that have not been divested. Section 7(H) of the rule requires utilities to notify the Commission of its determination of the winning bidder(s) and provide documentation of the analysis used in the selection process. Pursuant to section 7(I) of the rule, the Commission will review the filing and inform the utility whether it should execute a contract with the winning bidder(s).

On October 26, 1999, MPS filed the results of its Chapter 307 bid process. MPS identified WPS as the winning bidder and requested that the Commission allow it to execute a contract with WPS for the sale of the output from the Wheelabrator-Sherman QF contract. The Commission provided an opportunity for interested persons to comment on the MPS filing and received no comments on the matter.

III. DISCUSSION

In its October 26th filing, MPS indicated that the WPS was the only bidder in the process. The filing included the WPS bid prices and MPS's analysis of the bid. The WPS bid prices are as follows:

	Average Bid Price
Capacity Rate (3/1/00 – 12/31/00)	\$2.26/kW-month
Capacity Rate (1/1/01 – 12/31/01)	\$2.23/kW-month
Capacity Rate (1/1/02 – 02/28/02)	\$2.50/kW-month
Energy Rate (3/1/00 – 12/31/00)	\$.0206/kWh
Energy Rate (1/1/01 – 12/31/01)	\$.0206/kWh
Energy Rate (1/1/02 – 02/28/02)	\$.0223/kWh

The average total prices for the 2 years of the sale are:

3/1/00 – 2/28/01	\$.0251/kWh
3/1/01 – 2/28/02	\$.0241/kWh

Upon review of the MPS bid process and the results of that process, we find that the sale of the capacity and energy from the Wheelabrator-Sherman contract to WPS at its bid prices is in the public interest. Accordingly, pursuant to Chapter 307, § 7(I), we inform MPS that it should execute a contract with WPS.

Dated at Augusta, Maine, this 18th day of November, 1999.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.